GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA

STARRED QUESTION NO:385
ANSWERED ON:29.03.2017
Competition in Indian Telecom Market
Maragatham Smt. K.

Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether the Government has taken note of the reported consolidation among the Indian Telecom Service Providers (TSPs) and if so, the details thereof and the reaction of the Government thereto;

(b) whether the reported consolidation is likely to yield enough competition without causing fragmentation of spectrum and if so, the details thereof;

(c) if not, the action proposed to be taken by the Government in this regard;

(d) whether the Government has taken note of the alleged anti-competitive practices resorted to by some of the Indian TSPs against new entrants into the telecom market and if so, the details thereof and the reaction of the Government thereto; and

(e) the action taken/being taken by the Government in this regard?

Answer

THE MINISTER OF STATE (IC) OF THE MINISTRY OF COMMUNICATIONS &
MINISTER OF STATE IN THE MINISTRY OF RAILWAYS
(SHRI MANOJ SINHA)

(a) to (e) A Statement is laid on the Table of the House.

STATEMENT TO BE LAID ON THE TABLE OF THE LOK SABHA IN RESPECT OF PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO.385 FOR 29TH MARCH, 2017 REGARDING "COMPETITION IN INDIAN TELECOM MARKET ".

(a) Department of Telecommunications recently has received following intimation/proposals regarding merger/demerger/acquisition/transfer of Licenses: -

(i) Acquisition of telecom business of M/s Sistema Shyam Tele Services Limited (M/s SSTL) by M/s Reliance Communications Limited (RCOM),
(ii) Merger of M/s Augere Wireless Broadband Services India Pvt. Ltd. with M/s Bharti Airtel Limited.
(iii) Demerger of telecom business by M/s Reliance Telecom Limited (RTL) & merger into M/s Reliance Communication Limited in five License Service Areas,
(iv) Merger of M/s Telenor (India) Communications Limited with M/s Bharti Airtel Limited, and
(v) Merger of M/s Vodafone India Limited & its subsidiaries with M/s Idea Cellular Limited,
(vi) Demerger of Wireless Telecom Business of M/s Reliance Communication Limited & M/s Reliance Telecom Limited (RTL) and its consolidation with M/s Aircel Limited & Dishnet Wireless Limited.

Department processes the proposal as per guideline and instructions issued on merger and acquisition from time to time. Accordingly, Department has conveyed to take on record the following proposals of merger/transfer of business: -

(i) M/s SSTL and M/s RCOM: On 22.03.2017 subject to fulfilling the conditions prescribed in the letter dated 22.03.2017. Both companies have yet to fulfil the prescribed conditions.

(ii) M/s Augere and M/s Bharti Airtel Limited: On 17.01.2017 subject to fulfilling the conditions prescribed by the department. These conditions have been challenged by M/s Bharti Airtel Limited and M/s Augere before Hon'ble TDSAT. Hon'ble TDSAT directed the department to take on record the merger of M/s Bharti Airtel limited and M/s Augere and their licenses. The matter is under consideration.

The proposal of demerger of telecom business of M/s RTL is under consideration while other three proposals are at initial stage and yet to be approved by National Company Law Tribunal.

(b) & (c) The consolidation among the said Indian Telecom Service Providers (TSPs) does not cause fragmentation of spectrum rather it allows consolidation of spectrum to provide better services by efficient utilisation of spectrum. After the reported consolidation among the various Indian TSPs, there will be enough competition in the sector as six players are expected to remain in each service area in access service segment.

(d) & (e) The Government has received complaints of anti-competitive practices being resorted to by some service providers against a new entrant by delaying the provision of point of interconnection. The provision of point of interconnection and congestion between the networks is governed by Reference Interconnection Offer (RIO) Regulation and Quality of Service (QoS) Regulation issued by Telecom Regulatory Authority of India (TRAI) and the mutual interconnect agreement signed between the operators. In a meeting held with TSPs on 01.11.2016, the Government directed all the operators to resolve their issues within the existing regulatory framework. After commencement of service by new entrant on 05.09.2016, the service providers have provided Points of Interconnections 'PoI' progressively. The Government has also received recommendations of TRAI for imposing a penalty on three Telecom Service Providers for delaying the provision of point of interconnection to another service provider. Telecom Commission has recommended to refer back the recommendations for reconsideration by TRAI.

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